

FISCAL NOTE

SB 248 - HB 665

February 24, 2005

SUMMARY OF BILL: Requires the Division of Mental Retardation Services to adopt a payment methodology which includes a requirement that salaries for direct care staff be at least commensurate with those paid at the developmental centers.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$9,673,000

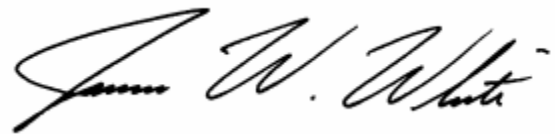
Other Fiscal Impact – Increase Federal Expenditures - \$26,307,400

Assumptions:

- TennCare provides the majority of funding for the Division of Mental Retardation (DMRS).
- There are approximately 9,000 full-time equivalents providing service, 40 hours a week, 52 weeks a year for \$8.63 per hour. The average hourly salary at DMRS Developmental Centers is \$10.81. The increase is \$2.19 per hour totaling \$40,980,400.
- \$5,000,000 will be redirected funding through DMRS.
- Net TennCare impact equals \$35,980,400.
- Estimate does not take into account any increase for benefits, supervisory staff increases, or overtime costs.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director